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Previous references.

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Serial Nos. 1

Part B. for

SUBJECT.

The Maharaja of Mysore Spinning & Manufacturing Company Directors' Report for the year ending 31-12-1891

Table of Contents.

Sl 1, Dated the 21st March 1892, From The Secretary of the Mills,

Submitting the Directors' Report for the year ending the 31st December 1891.

The Maharajah of Mysore Spinning and Manufacturing Co., Limited.

DIRECTORS' REPORT.

1. Your Directors beg to submit the Balance Sheet for the year ending 31st December 1891.

2. It will be observed therefrom, that there has been a Profit of Rupees 14,627—12—3 for that year exclusive of depreciation for which a sum of Rupees 3,000 will be written off for 1892. Your Directors would have, as they hoped, been able to shew a larger Profit had it not been for the adverse season and other causes fully explained by the Agents in their Supplementary Memo which however need not be dwelt upon here in detail.

3. Your Directors regret much that they are unable to recommend a Dividend to you, as the amount of profit realised is so small that they consider it advisable to reserve it against the loss of Rs. 18,124—9—0 incurred in 1890, and against the value of Mule Frames and Spindles dismantled with a view to improve the working power of the plant as shewn in detail in the Profit and Loss Account.

4. During the past year a sum of Rs. 35,648—4—0 was paid as Interest on the debts due by the Company at rates of Interest varying from 6 to 12 per cent. This is no doubt a heavy charge, but it was unavoidable.

5. The Debts due by the Company on 31st December 1891 are as follows:—

(1.)	To Government	Rs. 2,30,000–0–0
(2.)	To 7½ per cent Debenture holders	,, 1,20,000–0–0
(3.)	To 9 per cent debt due to Mr. S. Venketavaradiengar.	,, 1,00,000–0–0
(4.)	To other sundry creditors	,, 69,162–2–0

6. It must however be borne in mind that the amount borrowed from Mr. S. Venketavaradiengar, which is more than completely secured by the floating stock that has been given to him as security for the loan, is used solely for Working Capital while the amount of debt due to the Government and the Debenture holders has been chiefly used for the extension of the Mill Buildings and Plant and especially so far as the past year is concerned in the substitution of the more economical and productive Ring Spindles for the Mule Frames.

7. Compared with the year 1890, the Debt account of the Company shews a reduction of Rupees 35,000 in the Debt due to the Mysore Government and Rs. 80,000 in that due to Mr. S. Venketavaradiengar.

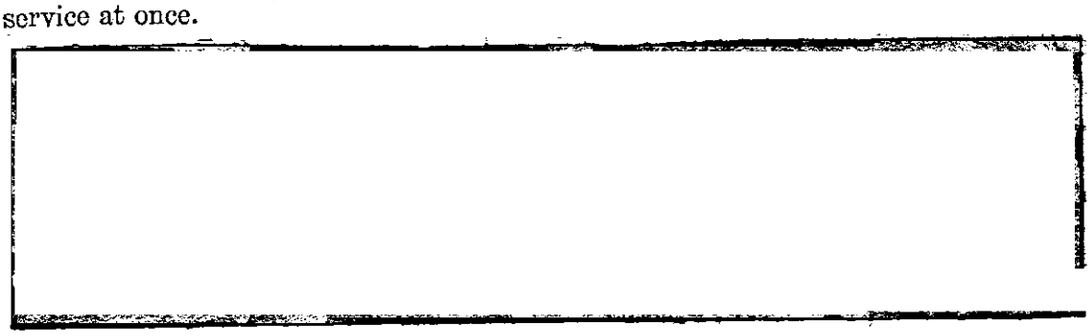
8. Debentures to the value of 2½ lacs were offered to the Shareholders in the year 1891. Of this, there is about 1 lac still to be taken up. When this is cleared off, as is hoped in a short time, the financial position of the Mill will necessitate no further loans.

9. Your Directors are sorry to observe that two-thirds of the Looms had to be stopped on account of the fall in the demand for cloth, consequent on the scarcity of food. The other local Cotton Mill as well as all the Mills in Bombay and elsewhere are laboring under similar disadvantages. How long this state of things

will continue cannot be foretold. Endeavours are however being made vigorously to start as many looms as can be employed with advantage.

10. Your Directors extremely regret to state, that a deficiency to the extent of abont Rs. 6,000 was found about October 1891 in the Stock under the charge of the late Carding and Spinning Master Mr. William Clarke of Manchester.

This was due to his gross misconduct. The circumstances connected with it and the steps taken to recoup the loss thereby sustained by the Company, by recovering from him all that could be recovered, have been explained by the Agents in their Memo already referred to. Mr. Clarke was dismissed from the Company's service at once.



12. The erection of the new Ring Frames have just been completed and with this acquisition to the working power of the Company, if the season which still continues unfavorable clears up ere long, Your Directors hope for a fair prospect of success in the ensuing year.

13. The Agents have appointed as their local Representative and Secretary Mr. Fairweather, a gentleman newly come out from Dundee, with high testimonials of character and qualifications. There can be no doubt that he will prove a valuable Assistant.

14. Mr. Scott himself has been personally devoting all his time and energy during the past 4 months, to retrieve the position of the Mill and remedy the defects which had crept into the working of the Mill on account ofMr. Clarke's misbehaviour and neglect of duty. As the proper working of theMill has thus been ensured, yarn and cloth are turned out of better quality and with a more promising daily average production: at the same time, the expenditure of the Mill is reduced in both the store and labour departments.

15. The property held by the Company at the close of the year under review, exclusive of the floating stock and omitting fractions was as follows :—

Mill Premises	Rs.	2,09,320
Machinery and Plant	„	5,91,150
Fuel Plantation	„	11,000
Furniture	„	1,468
	Rs.	8,12,938

(Signed) J. SCOTT,
„ B. STREENEVASSIYENGAR,
„ B. GUNGIAH,
„ S. VENCATVURDIENGAR.
} *Directors.*

J. SCOTT & CO.,
Agents.

Please note Para 11 of this Report was published without the authority of Col: Le Messurier.— He objects to his name and investments being published.— Para 11 is therefore cancelled.—

Alexander Fairweather
Secretary.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY (LIMITED).

Balance Sheet for the year ending 31st December 1891.

	CAPITAL AND LIABILITIES.		Rs.	A	P.	Rs.	A	P.		PROPERTY AND ASSETS.		Rs.	A	P.	Rs.	A	P.
I.	CAPITAL.	Capital of the Company—							III.	PROPERTY HELD BY THE COMPANY:	Land—Mill premises ...	2,127	10	0			
		Divided into 4,500 Shares of Rs. 100 each	4,50,000	0	0						Do —Plantation	11,000	0	0			
		Less 70 Shares unallotted...	7,000	0	0						Building	1,79,772	7	5			
						4,43,000	0	0			Do Expenses incurred during construction:—Drawing plans, checking measurements, surveying erection, paying experts for passing and reporting, General Office staff to see that proper building materials is used and Secretary's Salary	27,420	9	8			
II.	DEBTS AND LIABILITIES OF THE COMPANY.	*Mortgages.*									Machinery and Plant ...	3,82,222	13	2			
		Mysore Government Loan Principal...	2,30,000	0	0						Furniture	1,468	13	8			
		Do Interest on above 6 months...	6,900	0	0										8,04,012	5	11
						2,36,900	0	0			*Stock and Stock-in-Trade.*						
		Mr. S. Venkatavaradiengar Principal	1,00,000	0	0						Cotton on hand	12,962	11	2			
		Interest on above Dec. 1891.	760	0	0						Cotton in process	6,559	6	2			
		District Agents Commission ...	261	15	1						Yarn on hand	27,192	11	3			
						1,01,021	15	1			Weaving in process ...	5,060	12	8			
		Scott and Co. Manchester Loan against 200 Debentures Security	50,000	0	0						Cloth on hand	39,570	1	10			
		Interest on Rs. 50,000 October, November and December ...	1,062	8	0						Waste on hand	1,024	9	3			
						51,062	8	0			Tent on hand	316	8	4			
		Scott and Co. Manchester Balance: Commission on purchase of Machinery ...	.....	...	...	440	15	4			Cotton and Grey Yarn on hand.	2,620	10	6			
		Agents Commission on production	.....	...	...	7,793	7	4			Stores on hand	16,312	14	4			
		Sundry Creditors	.....	...	...	19,162	2	0			Printing and Stationery in stock	493	8	9			
															1,12,113	14	3
	DEBENTURE ACCOUNT.	240 Debentures of Rs. 500 each.	1,20,000	0	0				IV.	DEBTS OWING TO THE COMPANY.	District Agents and others ...	47,397	3	2			
		Interest on 160 Dr. October, November and December ...	1,500	0	0						Unexpired Insurance ...	2,811	14	3			
						1,21,500	0	0							50,209	1	5
		Unpaid Dividends	.....	...	...	133	0	0	V.	CASH AND INVESTMENTS.	Cash in Office	6,676	9	6			
											Do. in Bank of Madras, Bangalore	2,722	3	11			
															9,398	13	5
VI.	RESERVE FUND.	Amount reserved from profits of 1888	.....	...	...	2,631	0	0							9,75,734	3	0
									VII.	PROFIT AND LOSS.	By Loss...	.....	...	...	7,960	12	9
		Total Rs...	.....	...	...	9,83,694	15	9			Total Rs...	.....	...	...	9,83,694	15	9

Profit and Loss Account.

	Rs.	A	P.	Rs.	A	P.		Rs.	A	P.	Rs.	A	P.
To Balance. Loss in 1890 ...	18,124	9	0				By Profits for the year 1891 ...	14,627	12	3			
„ Nett Loss incurred by dismantling 4 old Mule Frames 2976 Spindles at Rs. 1-8 ...	4,464	0	0	22,588	9	0	„ Balance ...	7,960	12	9	22,588	9	0
Total Rs...	.....	...	...	22,588	9	0	Total Rs...	.....	...	...	22,588	9	0

I have examined the above Balance Sheet and annexed statement of Profit and Loss Account, and compared the same with the books and vouchers of the Company. Stock of cotton, yarn, fuel and stores and cash balance of the year ending 31st December 1891, and certify that, to the best of my belief, they are correct and in conformity with the requirements of the Company's Act X of 1866.

BANGALORE,
27th February 1892.

J. R. BARROW,
Auditor.

J. SCOTT,
B. STREENEVASSIENGAR.
B. GUNGIAH.
S. VENKETAVARADIENGAR. } *Directors.*

THE MAHARAJAH OF MYSORE MILL COMPANY, (LIMITED.)

Abstract of Revenue Account for the year 1891.

	Rs.	A.	P.	Rs.	A.	P.
To Stock of Cotton on hand 1st January 1891 ...	22,187	7	8			
Cotton purchased during the year	319,749	4	4			
	341,936	12	0			
Less stock on hand 1st January 1892 ...	19,522	1	4	322,414	10	8
To Stock of Yarn in weaving 1st January 1891 ...	6,329	10	5			
Yarn delivered to weaving during the year ...	85,305	15	6			
Sundries incurred during the year ...	1,740	10	5			
	93,376	4	4			
Less stock on hand 1st January 1892 ...	5,060	12	8	88,315	7	8
To Stock of Grain on hand 1st January 1891 ...	1,582	13	10			
Grain purchased during the 1st 6 months ...	7,165	11	3			
	14,746	8	0	8,748	9	1
To Stock of Fuel on hand 1st January 1891 ...	14,003	11	1			
Fuel purchased during the year ...	28,750	3	1			
Less stock on hand 1st January 1892 ...	Nil	...	...	28,750	3	1
To Stock of Stores on hand 1st January 1891 ...	5,456	6	9			
Stores purchased during the year	38,842	5	3			
	44,298	12	0			
Less stores on hand 1st January 1892 ...	16,312	14	4	27,985	13	8
To Salaries and Wages	5,272	13	11			
„ Interest account on debentures loan ...	4,299	12	1			
„ „ Mysore Government and S. Venketvurdiengar on loan...	29,226	6	7			
„ „ James Scott and Co. Manchester loan	2,122	1	4			
„ Agents' commission on year's production ...	18,724	5	3			
„ District agents commission	6,447	15	6			
„ Insurance	7,824	11	1			
„ Auditors' fees...	310	0	0			
„ Directors' fees	595	0	0			
„ Printing and advertisement	640	10	0			
„ Registration and stamp duty	561	0	0			
„ Postage and telegrams	484	15	1			
„ Stationery	268	7	3			
„ Rent account	290	6	5			
„ Law charges	177	9	10			
„ Commission and exchange	13	2	0			
„ Repairs to buildings	785	12	4			
„ Contingencies	2,101	15	4			
				133,150	0	0
				609,364	12	2
Profits for year 1891.....	.....	...	...	14,627	12	3
Rupees...	.....	...	...	623,992	8	5

	Rs.	A.	P.	Rs.	A.	P.
By sale of Yarn during the year	5,33,552	2	5			
„ Stock on hand 1st January 1892	27,192	11	3			
	5,60,744	13	8			
Less on hand 1st January 1891 ...	88,547	14	4	4,72,196	15	4
By sale of Cloth during the year	95,806	6	7			
„ Stock on hand 1st January 1892	39,570	1	10			
	1,35,376	8	5			
Less on hand 1st January 1891 ...	4,096	13	9	1,31,279	10	8
By sale of Waste during the year	6,993	11	7			
„ Stock on hand 1st January 1892	1,024	9	3			
	8,018	4	10			
Less on hand 1st January 1891 ...	2,924	1	3	5,094	3	7
By sale of Flour and Sujee from January to 30th June	10,928	13	3			
„ Flour Mill lease (July to December at Rs. 700)...	4,200	0	0			
	15,128	13	3			
Less expenditure during the half year (July to December	480	0	0	14,648	13	3
By Sundry Earnings	764	11	7			
„ Transfer Fees	8	2	0	772	13	7
Rupees.	...	...		6,23,992	8	5

J. SCOTT.

Maharajah of Mysore Spinning and Manufacturing Co., (Ld.) Bangalore.

Notice is hereby given that the Seventh Annual General Meeting of Shareholders will be held at the Registered Office of the Company, at the Mill, on Monday the 4th April at 4 p. m., for the purpose of passing :—

I. Directors' Report and Balance Sheet and Account for 1891.

II. To elect Directors for the current year in place of those retiring by rotation.

III. To elect Auditors and fix their remuneration.

By Order,

ALEXANDER FAIRWEATHER,
Secretary.

BANGALORE, 21*st March* 1892.

Daily Post and Examiner Press, Bangalore.